

Wheat Domestic Fundamentals:

All India weekly average prices increased by 3.08 percent to Rs. 2191.38 per quintal during the week ended 30th September 2019. Wheat average price were ruling at Rs 2125.93 per quintal during 16-23 September 2019. As compared to prices in the week 24-30 September 2018, the prices are firm by 9.68 percent. Prices are expected to remain steady to firm in coming days due to no import parity and likely increase in demand in domestic market.

As per latest update, Madhya Pradesh is focusing on Malwa-nimar region to make up for losses suffered in kharif season by increasing rabi acreage. Wheat acreage in 2019 was 60 lakh hectares and it is likely to cross 63 lakh hectares in 2020. Given good soil moisture and abundant availability of water in reservoir a bumper crop can be expected under normal conditions.

India mainly imports from Australia and Russia. Millers prefer Australian wheat over Russian/Ukrainian wheat due to better quality. As of now, Russian wheat with 12.5 percent protein content and Australian premium wheat (APW) is being quoted at \$341.60 (Rs 24099.88) per tonne and \$468.50 (Rs 33052.39) per tonne respectively, after including freight and import duty @40%. Local expenses will further add to cost. Whereas wheat mill quality price in Chennai is ruling around Rs 23750-24350 per tonne. Therefore, as of now, there is no parity for wheat imports.

Government has sold 513100 tonnes of wheat in OMSS until third tender in September'19. No rakes were sold. State government and bulk consumers bought 201550 tonnes and 311550 tonnes of wheat respectively. In the month of September'19 government has sold 176400 tonnes in three tenders against offered quantity of 5798523 tonnes. For second, third and fourth quarter reserve price will be Rs 2135 per quintal, Rs 2190 per quintal and Rs 2245 per quintal respectively. Stock with millers/traders has diminished and sales through OMSS is likely to witness an increasing trend in upcoming weeks.

As per trade source, India has exported around 17.02 thousand tonnes in the month of August-2019. The quantity in August-2019 was exported at an average FOB of \$ 314.51 per tonne and the major destinations were Nepal, Somalia, Sri Lanka and Reunion. Exports are likely to be at lower side as other countries are able to provide quality wheat at competitive prices.

As per market sources, wheat stock in central pool as on 1st September'19 stood at 414.90 lakh tonnes down by 4.81% compared to last month. This quantity is higher by around 7.74% compared to last year for the same month. Government has already applied import duty on wheat to curb imports and provide support to domestic prices. Therefore, government has abundant supplies this year to tackle any unexpected rise in wheat prices by selling more quantity in open market.

Indian Agricultural Research Institute (IARI) has introduced another variety for upcoming Rabi season known as HD-3226, which is likely to have a weighted average yield of 5.75 tonnes per hectare. The variety is likely to have more protein as well as gluten content compared to HD-2967 and HD-3086. The combined acreage of HD-2967 and HD-3086 is roughly 40 percent of India's total wheat acreage.

Wheat WPI has increased from 153.4 in July-2019 to 156.5 in August-2019. Monthly wheat inflation has increased by 2.02 percent in August-2019 compared to previous month. As compared to August-2018 wheat WPI has increased by around 5.32 percent. Wheat WPI is expected to stay steady to firm in coming month.

As per trade sources, after increase in import duty to 40 percent imports have decreased substantially. India has imported no wheat in the month of August-19. Imports are expected to be low this year due to good domestic availability and increase in import duty. India has imported around 498.77 tonnes in the month of April-2019.

International Market Update:

IGC has kept wheat production forecast unchanged at 764 MMT for 2019-20. However, carryover stocks have increased to a decade high at 272 MMT. Milling and feed wheat are expected to be available in abundant quality however high quality wheat is under close watch due to unfavorable weather conditions.

European union wheat prices have reached a six week high due to weakness in euro and continuous import tenders. December milling wheat on the Paris-based Euronext exchange was up 2.25 euros, or 1.3%, at 173.00 euros (\$189.16) a tonne.

As per latest update, Japan's ministry of agriculture bought 122346 MT of food quality wheat from United States and Canada. Around 56111 MT has been bought from United States and 66235 tonnes from Canada. Japan is the world's sixth largest importer in the world. The quantity is expected to be loaded between 21st October-20th November.

Syria has cancelled a tender to barter 100000 tonnes of durum wheat for same quantity of soft wheat from Russia. No agreement was reached and the tender was called off. Syria's wheat production has suffered due to conflict since 2011.

Black sea milling wheat prices became firm by \$1-2 per tonne at Novorossiysk and \$3 per tonne at Odessa port compared to last week. Strong currency and increase in foreign demand supported the prices. As of now Russian milling wheat with 12.5% protein content at Novorossiysk and Odessa port are being quoted at FoB \$185-189/tonne and FoB \$184-188/tonne

Outlook: Cash market is likely to trade steady to firm in the near term.

| Wheat Futures Contract: NCDEX Price | | | | | | | Date:30.09.2019 at 5:00 PM | | |
|-------------------------------------|-----|------|------|------|-------|--------|----------------------------|------|-----------------------|
| Contract Month | +/- | Open | High | Low | Close | Volume | Ch. From previous day | OI | Ch. From previous day |
| 19-Oct | +9 | 2020 | 2095 | 2020 | 2090 | 70 | -90 | 2320 | 0 |
| 19-Nov | 0 | 2110 | 2110 | 2110 | 2110 | 10 | 0 | 80 | 0 |
| 19-Dec | 0 | 2139 | 2139 | 2139 | 2139 | 0 | 0 | 0 | 0 |

| Spread | Oct-19 | Nov-19 | Dec-19 |
|--------------|--------|--------|--------|
| Spot Narella | | | |
| 19-Oct | -10 | | |
| 19-Nov | | 20 | |
| 19-Dec | | | 29 |

| Stocks | Demat | In-Process | Total | EDD |
|--------|-----------|------------|-----------|-----------|
| | 28.Sep.19 | 28.Sep.19 | 28.Sep.19 | 23.Sep.19 |
| Delhi | - | - | - | - |
| Itarsi | - | - | - | - |
| Kanpur | - | - | - | - |
| Kota | 27236 | 0 | 27236 | 29723 |
| Baran | - | - | - | - |

Wheat Daily Prices and Arrivals on 30.09.2019

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------------------|---------------------|-----------------|-----------|--------|
| | | | 30-Sep-19 | 28-Sep-19 | |
| Delhi | Lawrence Road | Mill Delivery | 2200 | 2195 | 5 |
| | Narella | Mill Quality Loose | 2100 | 2100 | Unch |
| | Nazafgarh | Mill Quality Loose | 2100 | 2080 | 20 |
| Gujarat | Rajkot | Mill Delivery | 2075 | 2075 | Unch |
| | Ahmedabad | Mill Delivery | 2160 | 2165 | -5 |
| | Surat | Mill Delivery | 2240 | 2240 | Unch |
| | Dhrol | Mill Quality Loose | NR | 2175 | - |
| M.P. | Indore | Mill Delivery | 2220 | Closed | - |
| | Bhopal | Mill Quality Loose | 2010 | Closed | - |
| Rajasthan | Kota | Mill Quality Loose | 1925 | 1920 | 5 |
| | | Mill Delivery | 2075 | 2060 | 15 |
| U.P. | Kanpur | Mill Delivery | 2070 | 2015 | 55 |
| | Mathura | Mill Quality Loose | 1930 | 1965 | -35 |
| | Kosi | Mill Quality Loose | 2000 | 1980 | 20 |
| | Hathras | Mill Quality Loose | NR | 1900 | - |
| | Aligarh | Mill Quality Loose | 2000 | 2000 | Unch |
| Punjab | Khanna | Mill Quality Loose | 1960 | 1930 | 30 |
| | Ludhiana (Jagraon) | Mill Delivery | NA | NA | - |
| Haryana | Sirsa | Mill Delivery loose | 2010 | 2010 | Unch |
| | Hodal | Mill Delivery | NA | NA | - |

| | | | | | |
|------------|-------------------------------|--------------------|------|------|------|
| | Bhiwani | Mill Quality Loose | 2100 | 2030 | 70 |
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |
| Tamil Nadu | Chennai | Mill Quality | 2375 | 2375 | Unch |
| | Madurai | Mill Quality | 2432 | 2432 | Unch |
| | Coimbatore | Mill Quality | 2432 | 2432 | Unch |
| Bihar | Khagariya | Mill Delivery | 2100 | 2100 | Unch |
| | Muzaffarpur | Mill Delivery | 2000 | 2000 | Unch |
| FOR | Kandla (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |
| | Gandhidham (Rajasthan-Rajkot) | Mill Quality | NA | NA | - |

| Centre | Market | Variety | Prices (Rs/Qtl) | | Change |
|-----------|--------|--------------|-----------------|-----------|--------|
| | | | 30-Sep-19 | 28-Sep-19 | |
| Gujarat | Rajkot | Lokwan | 2125 | 2150 | -25 |
| M.P. | Indore | Lokwan | 2400 | Closed | - |
| | Bhopal | Lokwan | 2200 | Closed | - |
| | Bina | Sarbati 306 | 2500 | Closed | - |
| Rajasthan | Kota | Lokwan Bilty | 2080 | 2150 | -70 |
| | Baran | Lokwan | 1980 | 1980 | Unch |

Wheat Arrivals in Key Centers:

| Centre | Market | Variety | Arrivals (Bags/Qtl) | | Change |
|-----------|-------------------|--------------------|---------------------|-----------|--------|
| | | | 30-Sep-19 | 28-Sep-19 | |
| Delhi | Lawrence Road | Mill Delivery | 6500 | 8000 | -1500 |
| | Narella | Mill Quality Loose | 200 | 150 | 50 |
| | Nazafgarh | Mill Quality Loose | 150 | 150 | Unch |
| Gujarat | Rajkot | Mill Quality Loose | 400 | 400 | Unch |
| | Dhrol | Mill Quality Loose | NR | 10 | - |
| M.P. | Indore | Mill Quality Loose | 500 | Closed | - |
| Rajasthan | Kota | Mill Quality | 3000 | 3500 | -500 |
| U.P. | Kanpur | Mill Quality Loose | 1000 | 800 | 200 |
| | Mathura | Mill Quality Loose | 300 | 500 | -200 |
| | Kosi | Mill Quality Loose | 250 | 250 | Unch |
| | Hathras | Mill Quality Loose | NR | 50 | - |
| | Aligarh | Mill Quality Loose | 600 | 200 | 400 |
| Punjab | Khanna | Mill Quality Loose | 300 | 400 | -100 |
| | (Ludhiana)Jagraon | Mill Quality Loose | NA | NA | - |
| Haryana | Sirsa | Mill Quality Loose | 200 | 200 | Unch |
| | Hodal | Mill Quality Loose | NA | NA | - |
| | Bhiwani | Mill Quality Loose | 300 | 400 | -100 |

| | | | | | |
|--|---------|--------------------|----|----|---|
| | Karnal | Mill Delivery | NA | NA | - |
| | Panipat | Mill Quality Loose | NA | NA | - |

| Wheat Products Delhi | 30-Sep-19 | 28-Sep-19 | Change |
|------------------------------|-----------|-----------|--------|
| Atta (50kg) Ordinary | 1190 | 1155 | 35 |
| Maida Grade 1 (50KG) | 1365 | 1333 | 32 |
| Suji (50kg) | 1330 | 1285 | 45 |
| Chokar (50 kg) | 925 | 850 | 75 |
| Chokar (34 kg) | 648 | 578 | 70 |
| Chakki Atta (50kg) | 1350 | 1305 | 45 |
| Chakki Atta (50kg) Special | 1375 | 1330 | 45 |
| Chakki Atta (90kg) Superfine | 2493 | 2412 | 81 |
| Chakki Atta (50kg) Superfine | 1385 | 1340 | 45 |

| Wheat (CBOT) Future Price: 28.09.2019 | | | | | |
|---------------------------------------|--------|--------|--------|--------|--------|
| Contract Month | Open | High | Low | Close | Change |
| 19-Dec | 486.00 | 490.50 | 482.50 | 487.25 | 3.00 |
| 20-Mar | 492.00 | 497.00 | 488.75 | 493.75 | 3.50 |
| 20-May | 496.50 | 501.00 | 494.00 | 498.50 | 4.25 |
| 20-Jul | 498.50 | 504.50 | 498.00 | 502.25 | 3.75 |
| 20-Sep | 507.75 | 511.75 | 506.25 | 510.00 | 3.50 |
| 20-Dec | 519.50 | 524.75 | 519.50 | 523.00 | 3.75 |

Disclaimer: The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.